1. Agreement. Hawthorne Machinery Co., including all subsidiaries and related entities and affiliates (“LESSOR”) and the signing party (“LESSEE”) (collectively “Parties”) agree that these terms and conditions and any related invoices (“LEASE”) are the entire agreement between them and can only be modified in writing by LESSOR.

2. Assumed Liability. LESSEE assumes all risk and liability for the loss of, damage to, death of, or injury to any person or property caused by the use, condition, possession, or storage of property leased from LESSOR (“Equipment”) as well as all other risks and liabilities arising from or related to the use, operation, possession, condition, or storage of the Equipment or LESSOR’s failure to perform any portion of the Agreement, which Losses include but are not limited to (a) Loss of or damage to the Equipment for any reason, (b) injury to or death of any person, and (c) Property damage, excepting those Losses that arise from LESSOR’s sole negligence or willful misconduct. LESSOR will also pay the interest at the rate of 10% per annum from the date of payment is made by LESSEE through the day LESSOR is reimbursed by LESSEE.

4. Normal Wear and Tear. LESSOR agrees to return the Equipment to LESSOR in the same condition as it was leased and, at LESSOR’s discretion, agrees to compensate LESSOR for any damage in excess of normal wear and tear. At LESSOR’s discretion, a cleaning charge for one day’s rental or more may apply.

16. NOTICE OF DEFAULT. LESSOR will give NOTICE to LESSEE in writing of any Default by LESSEE and shall have the right to execute the Equipment and terminate this Lease. However, if LESSOR elects to continue the Lease, the RPP specified in subsection (a) of this paragraph shall immediately apply to the Equipment in addition to the terms and conditions of the Agreement.

18. Normal Use: The Equipment and LESSOR’s right to the related لهباء and replacement of LESSEE’s premises for the purpose of inspecting the Equipment and making any repairs and adjustments necessary to ensure the proper and safe operation thereof. LESSOR at its sole discretion may remove the Equipment and replace it with similar equipment covered by this Agreement at any time during the term of the Lease.

19. Term. The LESSEE will have the right during business hours to enter LESSEE’s premises for the purpose of inspecting the Equipment and making any repairs and adjustments necessary to ensure the proper and safe operation thereof. LESSOR at its sole discretion may remove the Equipment and replace it with similar equipment covered by this Agreement at any time during the term of the Lease.

23. EMISSIONS REQUIREMENTS: LESSOR agrees to provide 0.75% charge on the rental price of qualified heavy equipment as defined in California Code Civil 1665.3 (“PPT”). The PPT is an estimate of the personal property tax LESSOR will be required to remit for the rental of certain qualified heavy equipment by LESSIE. In the event the PPT exceeds actual amounts owed by LESSIE, LESSIE acknowledges and authorizes the excess to be remitted to the State Board of Equalization for deposit into the State of California General Fund as required by law.

24. AGREEMENT FOR EXTENSION OF CREDIT: LESSIE’S signature attests to his financial responsibility, to pay our invoices in accordance with the following terms: (1) Payment is due Net 10th day of the month following invoice date. (2) All sums past due 30 or more days shall bear a service charge of 1 1/2% per month to the extent that such sum or sums are a result of the delinquency, it being expressly agreed it would be impractical or difficult to fix actual expenses. (3) LESSEE agrees to pay Hawthorne a $50.00 Service Charge on each dishonored check returned.

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